


Attachment 7



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Customs searches software firm near Boston

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Fears that funds may have gone to al Qaeda

Friday, December 6, 2002 Posted: 10:53 PM EST (0353 GMT)

WASHINGTON (CNN) -- Government sources said Customs agents searched a high-tech company in Massachusetts early Friday, looking for evidence that the software provider -- which has numerous government agencies as clients -- may have ties to al Qaeda.

No charges have been filed against the Quincy, Massachusetts, firm, Ptech Inc., and the company says it is cooperating with the investigation.

A Ptech executive said the firm had expected the development and laughed when asked if the company's Lebanese-born CEO had any sympathies with terrorist organizations.

"He's an American citizen, a patriotic American," said Ptech's vice president for professional services Joe Johnson, adding that such an idea was "out of the question."

Later, the company issued an unsigned letter saying the firm "has assisted the government in its investigation and intends to continue doing so."

"Ptech has been informed by government investigators that neither Ptech nor its officers or employees are targets of the government's investigation," the statement reads. "The company categorically denies having any connection with any terrorist organization."

Government sources told CNN that company employees contacted the FBI last fall when the State Department put Yasin al-Qadi, a Saudi businessman, on a watch list of individuals and organizations whose U.S. assets were frozen because of suspected ties to terrorists.

The employees told the FBI that they had been introduced to al-Qadi in Saudi Arabia as "the owner" of Ptech.

Sources said FBI agents are also looking into the possibility that Ptech executives may be involved in a charitable organization that sends money to the Middle East and whether that organization's funds might be diverted to al Qaeda. One federal source said the FBI has no evidence this happened.



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Ptech Inc. executive Joe Johnson walks into the company's offices Friday in Quincy, Massachusetts.

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CNN's Kelli Arena reports a Massachusetts software provider is under scrutiny for ties to a Saudi businessman accused of financing terrorism



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It was not clear if that organization was the Muwafaq Foundation -- which U.S. officials have said was an al Qaeda front -- or another Islamic charity.

U.S. Customs agents raided Ptech's headquarters at midnight and downloaded information from company computers for further investigation, the sources said.

Officials are especially concerned that several of Ptech's customers are government agencies, including the Department of Energy, the FBI, the U.S. Air Force, the U.S. Postal Service, the Naval Air Systems Command, the Federal Aviation Administration, the House of Representatives and NATO.

One government official said "absolutely no evidence" exists that the company's product had been tampered with but the investigation was under way.

A White House official told CNN that the administration was informed about the incident.



raid

Saudi businessman Al-Qadi is believed to be a partial financier of Ptech, which was launched in 1994 by chairman and CEO Oussama Ziadé, chief product officer James Cerrato and vice president and chief scientist Hussein Ibrahim.

Al-Qadi once headed the Islamic charitable organization called Muwafaq Foundation. He has repeatedly denied any connection with al Qaeda or its leader, Osama bin Laden.

Oussama Ziade, CEO of P-Tech Inc.

The Muwafaq Foundation sent aid to Bosnian Muslims and shut down in 1996, al-Qadi said.

Sources said Ptech executives are believed to have been aware of al-Qadi's suspected connections but did not sever their relationship with him.

CNN Correspondents Kelli Arena and Jeanne Meserve and Producer Terry Friedan contributed to this report.

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